

# **GOVERNOR'S PROPOSED 2009-10 MAY REVISION**

**June 1, 2009**

*Consolidates the tax collection operations of the Franchise Tax Board (FTB), the Board of Equalization (BOE), and Employment Development Department (EDD).*

The Governor has indicated he will soon send the Legislature a proposal to merge tax collection operations. The Board of Equalization has taken a leadership role in convening FTB, EDD, DMV and the OCIO to examine opportunities to consolidate our processes and functions. Some examples include tax return processing, call centers, printing, mailing and the electronic capture of documents.

The first step resulting from our meetings will be to create an inventory of equipment and processes that will be conducive to consolidation and will optimize capacities while achieving efficiencies. BOE's initial effort, Return Processing Efficiencies Project, is a partnership with EDD to streamline check processing using EDD's existing infrastructure. BOE proposes to fund this effort through a redirection of efilings savings. This project is included in the Governor's May Revision.

The ultimate goal of any consolidation effort is to create a seamless experience for the taxpayers in their interactions with the tax agencies in all areas, including registration, filing, auditing and compliance activities, as well as improving tax agency efficiencies.

In the long term, additional consolidation projects would be successful if state agencies had a common taxpayer identification number.

BOE has a track record of success in partnering with our sister agencies. For example, we have created and maintain a joint website, [taxes.ca.gov](http://taxes.ca.gov). We have most recently implemented a single application process for taxpayers requesting an Offer in Compromise to settle tax debts with FTB, BOE or EDD.

The BOE looks forward to working with the Legislature, the Administration, sister state agencies and our stakeholders in leading this important effort.